

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

IP INNOVATION L.L.C. and
TECHNOLOGY LICENSING CORP.,

Plaintiffs,

v.

RED HAT, INC. and
NOVELL, INC.

Defendants.

Civil Action No. 2:07-cv-447 (RRR)
Jury Trial Demanded

**DEFENDANTS' RESPONSE TO PLAINTIFFS' MOTION *IN LIMINE* TO EXCLUDE
CERTAIN EQUITABLE ISSUES FROM BEING ARGUED BEFORE THE JURY**

Plaintiffs' Motion *in Limine* to exclude Defendants from presenting testimony and evidence to the jury regarding claims of inequitable conduct and laches is moot with respect to Defendants' defense of inequitable conduct. Although both Defendants Red Hat and Novell asserted the defense of inequitable conduct in their Amended Answers filed on March 6, 2009,¹ both Defendants have withdrawn this defense. As indicated in the parties' Joint Pretrial Order filed on January 21, 2010, inequitable conduct is no longer one of Defendants' contentions in this matter.²

With respect to laches, Defendants oppose Plaintiffs' Motion *in Limine*. As noted by the Western District of Texas in *Collins* (the sole case cited by Plaintiffs on this issue), Federal Rule of Civil Procedure 39(c) "permits the Court 'upon motion or its own initiative' to try [the equitable defense of laches] 'with an advisory jury'" *Collins Licensing L.P. v. AT&T*, No. MO-90-CA-201, 1992 U.S. Dist. LEXIS 4648, at *1 (W.D. Tex. Mar. 23, 1992). In *Collins*, the court chose to try the issue of laches with an advisory jury. *Id.* There was no mention of

¹ Dkt. No. 62, Red Hat's Amended Answer, at 6-9; Dkt. No. 63, Novell's Amended Answer, at 6-9.

² Dkt. No. 138-1, Corrected Joint Final Pretrial Order, at 4-5.

bifurcation or shielding of the jury from the facts relevant to the issue of laches. *See generally id.*

Defendants propose that the Court adopt the same procedure in this case, i.e., allow the jury to hear testimony and evidence relating to laches through the normal course of the trial, and then have the jury issue an advisory finding of fact regarding laches. Defendants further propose that the Court use Defendants' Proposed Final Jury Instructions, which include the Federal Circuit Bar Association's model instruction on the issue of laches,³ and Defendants' Proposed Final Verdict Form, which includes questions of fact relating to laches for the jury to answer.⁴ Based on the jury's factual findings, the Court then can rule on the issue of laches as a matter of law.

Bifurcating the trial for the issue of laches would unnecessarily delay the trial and may confuse the jury, which would be unfairly prejudicial to Defendants. In sum, because the Court may elect to try the issue of laches with an advisory jury, Defendants respectfully ask the Court to deny Plaintiffs' Motion *in Limine* with respect to laches. As to inequitable conduct, Plaintiffs' Motion *in Limine* should be denied as moot.

³ Dkt. No. 135-3, Defendants' Proposed Final Jury Instructions, at 25-27 (citing Federal Circuit Bar Association Model Patent Jury Instructions, Instruction 5.2 (2009) (adapted); *A.C. Aukerman Co. v. R. L. Chaides Construction Co.*, 960 F.2d 1020 (Fed. Cir. 1992) (en banc)).

⁴ Dkt. No. 135-4, Defendants' Proposed Final Verdict Form, at 9.

DATE: March 12, 2010

Respectfully submitted,

/s/ Amy E. LaValle

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**ATTORNEYS FOR DEFENDANTS
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on March 12, 2010, all counsel of record were served with a copy of the foregoing DEFENDANTS' RESPONSE TO PLAINTIFFS' MOTION IN LIMINE TO EXCLUDE CERTAIN EQUITABLE ISSUES FROM BEING ARGUED BEFORE THE JURY by the Court's CM/ECF system per Local Rule CV-5(a)(3).

DATE: March 12, 2010

/s/ Amy E. LaValle